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Report to Congressional Requesters

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December 1986

POSTAL SERVICE

Employee-Management Relations at the Evansville, Indiana, Post Office

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United States
General Accounting Office
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General Government Division

December 24, 1986

The Honorable William D. Ford
Chairman, Committee on Post
Office and Civil Service
House of Representatives

The Honorable Richard S. Lugar
United States Senate

The Honorable Dan Quayle
United States Senate

In response to your requests dated September 4 and 11, 1985, we have reviewed labor-management relations problems at the Evansville, Indiana, Post Office. As agreed with your representatives, we attempted to determine the validity of three general allegations made by Evansville Post Office employees. These were:

- discrimination by postal management against veterans in managing the hiring register;[1]
- inconsistent and insensitive treatment of new hires, including veterans, during the probationary period; and
- questionable promotion practices which fostered employee distrust of management decisions.

Our review at the Evansville Post Office focused on records of events which occurred during 1981 through 1985. We also interviewed employees, both labor and management, and reviewed pertinent policies and procedures. Details on the scope and results of our work are contained in appendix I. Our major findings and conclusions follow.

History of Complaints

The Evansville Post Office has a history of labor-management problems. We previously reported on numerous charges of management wrongdoing[2] and concluded that both management and employees were responsible for the undesirable work environment that existed there and that management should make every effort to improve labor-management communications. We also concluded that a cooperative spirit

[1] An official list from which qualified, tested candidates are selected for employment with the Postal Service.

[2] Management-Employee Relations Problems at the Evansville, Indiana, Post Office (GAO/GGD-81-37, Feb. 19, 1981.)

founded on trust and honesty should be developed and sustained by both labor and management. We said in the report that if both labor and management could not put the past behind them, the probability for change and improvement was low.

During our current review, we interviewed 87 current and former postal employees. The information provided by these interviews indicated that, while employees continue to hold past actions up as examples of management wrongdoing, the work environment at the Evansville Post Office has improved over the situation that existed during our 1980 review. Also, many of the specific complaints which prompted our current review were similar to those raised in 1980. Discrimination against veterans was mentioned as the primary concern.

Hiring Actions

Evansville employees alleged that qualified veterans were "passed over" for hiring in favor of females and nonveterans, and that eligible veterans were denied the opportunity to test for entry onto the hiring register.

We reviewed the maintenance of the register used to hire employees for the 1982 through 1984 period. We found three cases where errors were made in the selection process. Two veterans were not provided with proper notification of their right to appeal nonselection. Another veteran, found medically unsuitable for the position he applied for, was not notified of his appeal rights. One of the veterans passed over and the veteran found medically unsuitable were subsequently hired and both have filed claims for back pay. The other veteran had not, as of May 1986, been informed by the Evansville Post Office of his appeal rights, because, according to postal officials, efforts to locate him have been unsuccessful.

These few errors apparently resulted from postal employees not paying enough attention to detail in processing paper work. We found nothing to indicate a pattern of discrimination against veterans. During the period March 1982 to December 1984, 85 veterans were considered for employment—35 (34 males and 1 female with veteran's preference) of these were among the 75 applicants hired during the period.

In considering the allegation of discrimination against veterans, we also attempted to determine why about 20 applications from veterans for placement onto the hiring register were not processed in a timely manner. We were able to confirm that applications had not been

processed, but we were unable to conclusively determine why this occurred. However, based on discussions with the Evansville Director of Employee and Labor Relations, the delay in testing of veterans for placement on the hiring register was an oversight caused by employee turnover and no permanent supervisor in the personnel office. The applications were processed and some of the veterans were subsequently hired. We saw no indication that the delay in processing the applications was a deliberate attempt to discriminate against veterans.

The above errors were not, in our opinion, indicative of Evansville postal management discrimination against veterans. However, we understand how such occurrences could be perceived as discriminatory, considering that, during the same time period, probationary letter carriers, who were also veterans, were fired. The firing of the probationary letter carriers is discussed below.

Treatment of Probationary Employees

Employees expressed concern about how inconsistently and insensitively management treated employees, especially veterans, during probationary employment periods. They told us that three veterans were unjustifiably fired for alleged poor performance, and three other probationary employees, including two veterans, were fired when they sustained on-the-job injuries. In all, management fired 10 of 67 probationary letter carriers hired in 1984 and 1985 and reinstated 5 after considering Equal Employment Opportunity (EEO) complaints.

Veterans Fired for Poor Performance

The three male veterans fired for poor performance subsequently filed EEO complaints. In their complaints, they claimed that females received lighter duty and more help and time to practice casing (preparing mail for delivery) and carrying mail during their probationary period than male veterans. The three veterans were reinstated as postal employees. Postal officials denied the charges of discrimination. However, they agreed to reinstate the veterans and give them new probationary periods. The veterans, in turn, agreed to drop their discrimination complaints. The Evansville Postmaster told us the veterans were reinstated because their supervisors had not properly documented their probationary performance.

To find out how employees were treated during their probationary period, we interviewed 14 letter carriers (7 male and 7 female) hired during 1984 and 1985. Work experiences of males and females were similar. Some allowances were made for female employees. For example,

two women would sometimes be assigned to jobs requiring heavy lifting that had traditionally been done by one man. Although some men considered this preferential treatment, anyone could request help with heavy loads.

Employees Fired Due to Injuries

Three probationary employees, including two veterans, were fired after sustaining on-the-job injuries. Two of the employees apparently sustained injuries through no fault of their own and were fired because they could not perform the jobs for which they were hired. They have since been reinstated because management reconsidered the firings, based on the employees' EEO complaints.

The other employee (a male veteran) who was fired had not been reinstated at the time we completed our work in March 1986. He was cited for safety violations as well as his inability to perform as a letter carrier. He is seeking reinstatement through the EEO process.

Promotion Practices

We reviewed the 17 promotions made at the Evansville Post Office during the period from March 1982 through September 1985. Three of the four promotions in 1985 resulted in criticism of management by craft employees.

The promotion that upset craft employees the most involved the former Lawndale Station manager who was promoted to Manager of Delivery and Collection for the Evansville Post Office. During this person's tenure at the Lawndale Station, stamp stock was discovered missing and subsequent audits by the Postal Inspectors identified serious financial deficiencies. The Post Office unsuccessfully attempted to recover the stamp stock shortages from two postal clerks. The other two promotions involved (1) a supervisor who had received a recent letter of warning for an argument with a craft employee and (2) a craft employee with a history of absenteeism and suspension who was promoted to delivery supervisor. However, all promotions, including the three discussed above, complied with established Postal Service policies and procedures.

Efforts to Improve Labor-Management Relations

In June 1985, the Employee Involvement/Quality of Work Life Program began at the Evansville Post Office. This program attempts to change the style of management to allow employees at all levels to participate in management's decisionmaking.

The stated objective of this program is to make the post office a better place to work. Employee involvement is vital in achieving this objective. According to program coordinators there has been opposition to the program by both management and labor. The coordinators told us that craft employees view the program with distrust while some supervisors see it as an infringement on their authority. However, some positive results have been noted as a result of the program. For example, contract grievances have been reduced since the program began in June 1985.

Conclusion

Relations between management and labor (especially letter carriers) at the Evansville Post Office have been somewhat hostile for several years. While we found the work environment improved since our previous review in 1980, both labor and management have been to blame for continued strained relations. Management has contributed to the situation by

- firing three employees without having their performance adequately documented;
- firing two employees who could not, because of on-the-job injuries, do the job they were hired to do;
- failing to notify 3 veterans of their appeal rights and not testing at least 20 veterans on a timely basis; and
- failing to maintain adequate financial controls and subsequently holding craft employees responsible for shortages.

On the other hand, employees did not always give management a chance to correct errors and make amends, but continued to hold past actions up as examples of management wrongdoing. Many of the complaints we received from employees concerned events that had taken place several years before.

Although some actions by management contributed to a hostile labor-management climate at the Evansville Post Office, we found no evidence that management discriminated against veterans either in the hiring process or in its treatment of veterans after they were hired.

The Employee Involvement/Quality of Work Life Program that is in place at the Evansville Post Office could contribute to improved relationships if both management and labor dedicate themselves to making it succeed. However, if past attitudes and actions continue, we believe there will be continued turmoil at the Evansville Post Office.

Agency Comments

In commenting on a draft of this report, the Postal Service said that local management has taken steps to correct administrative shortcomings at the Evansville Post Office. Such steps include the

- appointment of a supervisor for the personnel office,
- designation of a full-time person to handle all applications for hiring register tests, and
- designation of a person as coordinator of the Disabled Veterans Affirmative Action Program and the Handicap Program.

The Postal Service pointed out that changes made in carrier operations will reduce the possible number of routes worked during a carrier's probationary period and that contract grievances have been reduced since the establishment in June 1985 of the Employee Involvement/Quality of Work Life Program. The Postal Service believes that there is a good working relationship between Evansville managers and clerks, mail handlers, rural carriers, and most city carriers. We have no basis for disagreeing with that conclusion. Further, we agree with the Service's conclusion that good will on both sides is necessary for continued improvement in employee-management relations at the Evansville Post Office. The Service's comments on the draft report are included as appendix II.

As arranged with your representatives, we are sending copies of this report to the Postmaster General, the Evansville Postmaster, and other interested parties.

W. J. Anderson

William J. Anderson
Assistant Comptroller General

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Review of Employee-Management Relations Problems at the Evansville, Indiana, Post Office

By letters dated September 4 and 11, 1985, respectively, Senators Richard G. Lugar and Dan Quayle and Chairman William D. Ford of the House Committee on Post Office and Civil Service requested us to review employee-management relation problems at the Evansville, Indiana, Post Office. Chairman Ford's letter to us also forwarded Representative Frank McCloskey's request to Chairman Ford that he assist in initiating our review.

Objectives, Scope, and Methodology

As agreed with representatives from the offices of Senators Lugar and Quayle and Representative McCloskey, our review focused primarily on allegations and complaints of letter carrier craft employees concerning activities which occurred from 1981 through 1985.

Our objective was to evaluate the allegations of (1) management discrimination against veterans in managing the hiring register; (2) inconsistent and insensitive management treatment of new hires, especially veterans, during the probationary employment period; and (3) questionable promotion practices that fostered employee distrust of management decisions.

Because of the broad allegations involved, the nature of the complaints, and for reporting clarity, we categorized our work into specific areas as follows: (1) the hiring register, (2) treatment of employees during the probationary period, (3) events at the Lawndale Station, (4) promotions, (5) reinstatement and transfer policy, (6) miscellaneous administrative and fiscal matters, and (7) efforts to improve employee-labor relations.

To examine these allegations, we

- interviewed 87 present and former employees, from both labor and management;
- reviewed the 1981 hiring register and corresponding worksheets which, between March 1982 and December 1984, were used to select new employees;
- reviewed promotion policies and procedures and individual promotions to the supervisory level;
- reviewed the hiring of handicapped people;
- reviewed documentation related to a shortage of funds at the Lawndale Postal Station;
- looked into various complaints and charges of improper conduct brought to our attention by the employees interviewed; and

- discussed personnel policies with the Postmaster of the Evansville Post Office.

Most of our field work was done during the period October 1985 to March 1986. Our work was performed in accordance with generally accepted government auditing standards.

Management of the Hiring Register

Three employee allegations were that (1) qualified veterans were "passed over" for hiring in favor of females and nonveterans, (2) eligible veterans were denied the opportunity to test for placement on the hiring register, and (3) some veterans were not considered and hired in proper order.

We reviewed the use of a hiring register established in 1981 to determine if applicants for employment from March 1982 through December 6, 1984, were considered in proper order according to their test scores and preference eligibility, and if rules giving preferences and rights to veterans were followed in accordance with the Postal Service's personnel manual. We also interviewed Evansville's Director of Employee and Labor Relations and a personnel assistant to determine the validity of the charges that some veterans were denied the opportunity to test for placement on the hiring register. Both were involved in personnel activities during 1984.

According to the personnel manual, applicants' test scores should be ranked in descending order from highest to lowest and consideration for employment with the Postal Service accomplished accordingly. Additionally, disabled veterans are placed at the top of the register and given consideration before nonveterans and veterans without qualifying disabilities. However, any veteran not selected for the job for which he or she applies must be accorded appeal rights if the job is given to a nonveteran. Also, veterans who are not selected because of medical disqualifications must be given the opportunity to appeal the medical decision.

The personnel manual also stipulates that certain veterans who have missed testing opportunities because of their military duties may apply to take hiring register tests and have their scores merged onto the hiring register with the existing test scores.

Between March 1982 and December 1984, the period that the 1981 register was in use, 211 applicants (including 85 veterans) were considered for city letter carrier positions. Seventy-five applicants were selected. Of those selected, 34 were male veterans; 10 were male nonveterans; and 31 were females, 1 with veteran's preference.

Procedural Violations in Selecting Employees

In three instances, rules giving veterans certain appeal rights were not followed in selecting applicants for employment from among the 211 applicants. In two of these cases, veterans were passed over in favor of a nonpreference eligible applicant and were not notified of their appeal rights. In the third case, a veteran was not notified of his right to appeal a determination of medical unsuitability. One of the passed over veterans and the veteran found medically unsuitable were subsequently hired and both have filed claims for back pay. The third veteran, identified in our review of the hiring register, had not been contacted as of May 1986.

The above three events occurred during 1983 and 1984. We could not determine from records or interviews with current employees why the rules were not followed in these instances. Current employees now responsible for selecting applicants toid us that the errors resulted from a lack of attention to detail by employment services personnel instead of any attempts to deny employment to veterans.

Veteran Complaints That They Were Considered Out of Sequence Unfounded

We received complaints from two veteran employees who said they had not been considered for employment in the proper sequence. We reviewed each of the complaints and concluded that no errors had been made. We believe the reason for the complaints was that the individuals involved did not understand the hiring process. For example, one of the veterans who thought he was not considered properly had moved and did not respond to a notification that a position was available. The notice was returned to the post office as undeliverable. The veteran eventually learned that a job was available and notified the Post Office of his interest. He was placed on the next hiring worksheet and subsequently hired.

Applications for Hiring Register Testing Were Not Processed in a Timely Manner

Disabled and newly discharged veterans can request to take a test for placement on a hiring register after the register has been closed to the general public. Test scores for those who satisfactorily complete the test are merged into the existing register and the applicants are considered for employment in accordance with their scores.

A former employee, a personnel specialist, reported to Evansville management that approximately 20 such applications were not processed within the required time period. The personnel assistant discovered the unprocessed applications while responding to an applicant who complained that he had not been tested in a reasonable time. The applications were processed and some of the veterans were subsequently hired.

The Evansville Director of Employee and Labor Relations acknowledged that until the oversight was brought to his attention, applications for testing were not processed in a timely manner. Turnover of employees and the lack of a permanent supervisor in the personnel office were the reasons he cited for the delay. The Director said he believed that he had solved the problem by designating one full-time person to handle all applications for hiring register tests and planned to appoint a permanent supervisor of the personnel office. A permanent supervisor was appointed in March 1986.

Two internal Postal Service audits show that the Evansville Post Office has experienced administrative problems in the employment and labor relations area. Audits of hiring practices and procedures conducted in August 1983 and May 1985 by the Kentuckiana District pointed out a number of administrative shortcomings. The findings ranged from the lack of proper documentation of register cards and hiring work sheets to untimely testing of eligible veterans.

Employees Complained of Inconsistent and Insensitive Treatment During the Probationary Period

Employees had complaints about inconsistent and insensitive treatment during their 90-day probationary employment periods. Most of the complaints resulted from events that took place in 1984 and 1985 and involved current employees who were fired near the close of their probationary period and later reinstated.

Employees Fired for Poor Performance

Three letter carriers (all veterans) were fired because they could not meet job expectations. In subsequent Equal Employment Opportunity (EEO) complaints these employees petitioned to be reinstated by claiming unequal treatment in job assignments and training (i.e., females were treated differently). Postal officials denied the charges of discrimination. However, they agreed to reinstate the carriers and give them new probationary periods. The carriers, in turn, agreed to drop their discrimination complaints. The Postmaster told us that he agreed to reinstate them because their supervisors had not properly documented their poor performance.

We discussed with supervisors how they trained and judged the performance of probationary employees. One supervisor told us that if he decided that a probationary letter carrier could not proficiently deliver the mail, he would assign the probationer to other duties. For one of the previously mentioned letter carriers, these other duties involved the pickup and delivery by truck of mail to boxes and stations which consumed 25 percent of his probationary period. The other two veterans who were fired also charged that they spent time driving trucks thereby limiting their time to learn how to case and deliver their mail. They claimed that female letter carriers were not required to drive trucks; however, in interviews with seven female employees (discussed below) three of them said they spent considerable time (25 percent or more) on truck driving chores.

Interviews With Employees About Probationary Treatment

To find out how letter carriers were treated during their probationary period, we interviewed 14 letter carriers (including 5 veterans) hired in 1984 and 1985. We talked to seven male and seven female letter carriers about experiences during their probationary period. Our questions concerned

- similarity of classroom training, on-the-job training, and work assignments;
- how and when performance evaluations were carried out; and
- their understanding of their chances of retention beyond the probationary period.

The 14 probationary employees were treated similarly and given similar opportunities to demonstrate that they could adequately perform the duties of a letter carrier. They generally had the same types of assignments, knew what was expected of them, and knew if they were making

adequate progress for retention beyond the probationary period. However, several expressed some degree of anxiety due to the nature of a probationary period.

Several employees said that the training methods employed at Evansville during 1984 and part of 1985 were not the best way to train probationary employees to become proficient carriers. New hires were required to work numerous routes and zones and were expected to be versatile enough to perform at a reasonable level of proficiency. Several carriers and two supervisors said that this was difficult and familiarity with one route is needed to gain proficiency as a letter carrier.

Since April 1985, new letter carriers are provided an opportunity to select a station they would prefer to work in and assignments are made by seniority. This change reduced the possible number of routes a carrier worked during the probationary period. Also, the Evansville Post Office now has a truck driving pool which reduces the possibility that new carriers will be assigned extensive truck driving to pick up and deliver mail.

Regarding a specific charge that women were given special treatment, we found that management made some allowances for female employees. For example, two women would sometimes be assigned to jobs requiring heavy lifting that had traditionally been done by one man. Some men considered this preferential treatment but, according to management, anyone could request help with heavy loads.

Probationary Employees Injured On-The-Job Were Fired

Three probationary employees at the Evansville Post Office who suffered on-the-job injuries were fired during 1984 and 1985. Of the three persons fired, one was cited for violations of safety rules while all of them were cited for their inability to perform the duties of the assignment. One of those fired is currently seeking reinstatement; the other two have been reinstated through successful negotiations in the EEO complaint process.

The two reinstated employees charged that Post Office personnel discriminated against them because of physical handicaps resulting from their on-the-job injuries. In both cases, the matter was resolved when the Postmaster agreed to rescind the letters of termination and reinstate the employees when they were physically able to work. The Postmaster denied the allegations of discrimination and the complainants agreed to withdraw their complaints.

The Postal Service does not have a uniform policy relating to the treatment of probationary employees who suffer on-the-job injury, especially if the injury disables the employee for a sustained period. We were informed by a postal headquarters official that performance evaluations for employees who have had on-the-job injuries are handled by the supervisor on a case-by-case basis taking into consideration factors such as the employee's adherence to safety rules and regulations. Injured probationary employees create a dilemma for postal managers because the employees have not had a chance to demonstrate their ability to perform, and there are few light-duty assignments in the letter carrier craft that can be used instead.

The Evansville Postmaster told us that he was not aware of specifics on the three cases cited above and maintained that it is not his policy to fire employees solely because they are injured. In the future, he said he would review each case and would probably allow injured employees to return to work when they are able, assigning them a new probationary period.

Efforts to Correct Stamp Stock Shortages at the Lawndale Station

A craft employee complaint involved alleged mismanagement at the Lawndale Station where two clerks had been issued letters demanding payment for shortages ($6,133 and $3,503) in their stamp accountability accounts. The clerks' stamp stock accountability had not been audited for a 7- to 8-month period, although a maximum 4-month interval for audit was required. During the period when the shortages occurred, the station manager was promoted to the position of Manager of Delivery and Collection at Evansville.

We focused our review at the Lawndale Station on the attempt by management to collect the stamp stock shortage from two clerks. Since the Postal Service had recognized that the shortage existed, we did not review the financial management of the Lawndale Station or the Evansville Post Office.

Results of Post Office Audits at the Lawndale Station

When the shortage at Lawndale was discovered the Evansville Post Office's Director of Finance requested that the resident Postal Service Examiner audit the main stamp stock account at the Lawndale Station. The Kentuckiana District Office subsequently formed a team of Postal Service Examiners who reconstructed the clerks' accounts at the Lawndale Station. In addition to identifying and adjusting each clerk's

overages and shortages, this audit also identified serious deterioration in financial controls. For example:

- Many financial records were incomplete because they did not contain names, dates, and required entries.
- Postage was transferred between clerks without documentation.
- Postage was transferred between clerks and main stock without documentation.
- Stamp accountability accounts were not audited every 4 months as required.

As a result of these deficiencies, the Postal Inspection Service made a full financial audit of the Evansville Post Office. This audit disclosed extensive systemic and procedural weaknesses, and as a result, the Evansville Post Office took approximately 25 specific corrective actions involving almost all facets of its financial activities. Also, according to postal officials, an additional clerk was placed at the Lawndale Station to help prevent a recurrence of similar problems.

Action Taken Against Clerks

On June 21, 1985, two Lawndale clerks were issued letters of demand, one in the amount of $6,132.82, the other for $3,502.63. Letters of demand make the clerk responsible for the shortage and require that the individual pay back the amount in question. Both clerks filed grievances through the union's grievance procedure protesting the letters of demand. The clerks asserted that, since audits of their accounts had not been conducted every 4 months as required, they were not responsible for the shortages. On January 27, 1986, both grievances were settled by rescinding the letters of demand.

Promotions Caused Employee Complaints

Several employees complained about the unfairness of promotions and generally felt that promotions were reserved for relatives and friends of management. The allegations were primarily directed at three promotions (two supervisors and one craft employee promoted to supervisor) approved by the Postmaster in 1985.

The Postal Service's supervisory promotion policy is outlined in its personnel manual. In general terms, the process requires a job notice, application period, definition of the area from which applicants will be offered the opportunity to apply, assembly of an advisory panel to consider the applicants and make recommendations, decision by the

selecting official, and finally, approval of the selection by a higher authority, usually the Postmaster (for Evansville employees).

To consider the validity of the employees' complaints and to determine if established Postal Service procedures were followed, we reviewed files for all supervisory promotions (17) made during the period from March 20, 1982, through September 28, 1985. We found that prescribed procedures were followed for each promotion. However, three promotions were pointed out by craft employees as examples of unfairness in the promotion system.

Case 1

A supervisor, the son of the Director of Finance, applied for and was selected to fill the position of Manager, Delivery and Collection. Before the promotion he was the manager of the Lawndale Station, which had experienced shortages in stamp stock accounts. (See p. 16.) This promotion was labeled by several craft employees as a "mess up and move up" promotion.

The prescribed procedures were followed in this promotion and records indicate the supervisor was highly qualified. His immediate supervisor and the next-higher-level supervisor recommended him very highly. The promotion was reviewed and approved by the Postmaster and his supervisor—the District Manager, Kentuckiana District.

Case 2

A supervisor, who was recently given a letter of warning for an argument with a craft employee, was promoted to the position of station manager. According to the Postmaster and Postal Service policy, letters of warning (first level disciplinary action) are not in themselves reason to deny promotions. This promotion was procedurally sound.

Case 3

A candidate with a past history of absenteeism and suspensions was selected for promotion to supervisor of delivery and collection activities at the Evansville Post Office.

In this case, the designated selecting official violated promotion procedures by attempting to influence the deliberations of the advisory panel through discussing his choice of candidates with an official of the panel. The selecting official discussed the possibility of considering employees with "good" ratings with the chairperson of the panel because he felt

that the most qualified person was in the "good" category. Such a conversation violates personnel manual rules against tampering with deliberations by the panel. The procedures used required that the highest ranking "excellent" candidates be considered by the panel before those ranked at the next highest level, "good." The person promoted was ranked as "good." The Postmaster allowed the selection process to continue by appointing another selecting official to replace the one that violated procedures.

This promotion was procedurally correct after replacement of the selecting official.

Denial of Reinstatement Requests Caused Complaints

Several of the concerns expressed to us related to reinstatement of employees at the Evansville Post Office. The concerns were from people who unsuccessfully sought reinstatement, and from a person who was reinstated but believes unnecessary barriers were constructed, resulting in loss of pay and seniority. One applicant charged postal officials with religious and sex discrimination, and one person felt that he was not reinstated because of a prior EEO complaint he had made.

The Postal Service's personnel manual allows reinstatements at the discretion of the head of the facility at which the application is filed. At the Evansville Post Office, employee reinstatement actions are decided based upon the staffing needs and opinions of prospective supervisors. Thus, individuals seeking reinstatement or transfer must convince the supervisor of an individual office that he or she is the right person for the job.

We discussed the cases of several individuals who were denied reinstatement with the Postmaster. He stated that his policy was to rely on his supervisors to make recommendations. He maintains that supervisors are responsible for getting the work done and they should have input before he makes the final decision.

Miscellaneous Administrative and Fiscal Matters

During our interviews with craft employees, some allegations were made that management practices in administrative and fiscal areas were violations of postal policy. We reviewed all of these allegations to determine if they had any merit. A brief description of each allegation and our conclusion follow.

Charges of Favoritism in Selection of Participants for Supervisory Training Unfounded

Employees claimed supervisors showed favoritism in selecting participants for on-the-job supervisory training. To consider the validity of this allegation, we determined from the Postal Service's personnel manual how the supervisory training program should be administered. We also reviewed available training records for the period July 1983 through December 1985 to determine the extent of employee participation in supervisory training.

We found that participation in the supervisory training program was voluntary and that the amount of training received was dependent upon the available training opportunities within one's assigned work area and schedule. Although some individuals received more supervisory training than others, the reason seemed to be the availability of opportunity within certain work areas and schedules instead of favoritism in selection.

Charges of Violation of Payroll Policy Unfounded

An employee alleged that a supervisor was paid for working through his lunch hour in violation of policy. Management discourages working through lunch as a normal practice, but acknowledges that it is necessary in certain instances. After reviewing postal policy, we learned that such a practice is not a violation. In any case, we reviewed the time cards of selected supervisors for calendar years 1984 and 1985 and found very few instances in which this occurred.

During our review of policy regarding lunch hours, we found that overtime had in some cases been paid without written authorization (i.e., the signature of an authorizing person on a time card). Management had been previously aware of this problem and had already taken corrective action by requiring supervisors to sign time cards.

Charges of Unauthorized Expenditure of Funds for Entertainment Unfounded

We received an allegation that management officials improperly spent funds for social entertainment (breakfasts, lunches, and bus trips to a local hotel). We reviewed the allegation and found that the expenditures were for an awards ceremony, an open house, and other business-related functions. The Postmaster is authorized to spend postal funds for such purposes.

Severely Handicapped Employment Program Has Not Been Emphasized

The employment of severely handicapped people has not been emphasized at Evansville. This lack of emphasis on severely handicapped employment is not in compliance with Kentuckiana District directives. The Director of Employee and Labor Relations at Evansville told us that the appointment of a supervisor in the employment services office will correct this problem. This appointment was made in March 1986. Also, according to postal officials, a person has been designated as coordinator for the disabled veterans affirmative action program and the handicap program.

Efforts to Improve Labor-Management Relations

In June 1985, the Employee Involvement/Quality of Work Life (EI/QWL) program began at Evansville. This effort was designed to change management style and involve all employees in decisionmaking, in an effort to make the post office a better place to work. The program has management and labor working as a team, enabling everyone to use his or her knowledge, skills, and abilities more effectively.

According to program coordinators, there has been opposition to the program by both management and labor. Some craft employees view the program with distrust while some supervisors see it as an infringement upon their authority. However, the Evansville Postmaster and the program coordinators credit the EI/QWL program for a recent substantial decrease in contract grievances.

September 16, 1986, Letter From the Postmaster General

THE POSTMASTER GENERAL
Washington, DC 20260-0010

September 16, 1986

Dear Mr. Anderson:

Thank you for the opportunity to review your proposed report, Employee-Management Relations at the Evansville, Indiana, Post Office, dealing with allegations of discrimination against veterans, particularly in the city carrier area, and questionable promotion practices.

We are pleased the report finds no evidence that management at Evansville has discriminated against veterans in hiring or after they are hired. Veterans represent about 40 percent of the applicants for city carrier jobs and receive 47 percent of the appointments.

We are also pleased that all the promotion actions you reviewed at Evansville were found to be in compliance with established Postal Service policies and procedures including three actions that some employees had questioned.

There have been some administrative shortcomings at Evansville, but local management has taken steps to correct them. A supervisor has been appointed for the personnel office. A full-time employee has been designated to handle all applications for hiring register tests. A person has been designated as coordinator of the Disabled Veterans Affirmative Action Program and the Handicap Program. Changes have been made in carrier operations that will reduce the possible number of routes worked during a carrier's probationary period. An Employee Involvement/Quality of Work Life program established in June 1985 is working well, and since its establishment, contract grievances have been reduced.

The report notes that the work environment at Evansville has improved since your 1980 study. We believe there is a good working relationship between management and the clerks, mail

handlers, rural carriers, and most city carriers. With good will on both sides, employee-management relations should continue to improve.

Sincerely,

Preston R. Tisch

Mr. William J. Anderson
Director
General Government Division
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